

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

HB 2037 - SB 1774

March 25, 2011

SUMMARY OF BILL: Requires that BEP dollars received for textbooks must be spent on textbooks and other instructional materials.

ESTIMATED FISCAL IMPACT:

Other Fiscal Impact – In any fiscal year in which the money allocated through the BEP for textbooks will be less than the money actually spent on textbooks, LEAs will redirect funds to cover budget items that would have been paid for by excess BEP-generated textbook funding. This will be done by raising new revenue, reducing other expenditures, or a combination. The exact amount of any redirection is unknown but will exceed \$1,000,000.

Assumptions:

- Currently, LEAs are authorized to spend money allocated for textbooks on other items within the BEP classroom or instructional components. Under this bill, the money must be spent only on textbooks or other related items.
- According to the Department of Education, in FY08-09, LEAs received \$66,496,469 through the BEP for textbooks but actually spent \$62,703,957. In FY09-10, LEAs received \$66,687,733 through the BEP for textbooks but actually spent \$64,873,680. It is assumed that the money that was received in these fiscal years was spent on items other than textbooks and related instructional materials.
- The amount that will be redirected in future fiscal years will be dependent upon how much textbook funding the BEP generates and how much LEAs actually spend. It is estimated that any redirection of funds will exceed \$1,000,000.

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CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in blue ink, appearing to read "James W. White". The signature is fluid and cursive, with the first name "James" written in a smaller, more compact script than the last name "White".

James W. White, Executive Director

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